

# LOPPING \$2,000,000,000 OFF GOVERNMENT EXPENSES ONLY WAY TO AVERT RUIN

Neither of Old Parties Is Relied On to Head Off Financial Disaster.

FEAR DRASTIC ACTION.

Trimming Estimates Merely for Political Effect, Not to Save Taxpayer.

By Martin Green.  
(Special Staff Correspondent of The Evening World.)

WASHINGTON, Feb. 25.—Having cast aside, under the influence of a false alarm, created by boosters of Government ownership and operation of the merchant marine, an opportunity to knock off at least two billions of dollars from the expenses of Government next year by wiping out the Shipping Board, and thus eliminating the deficit of three billions of dollars existing and an additional billion or billion and a half dollars threatened, Congress is now seeking to make further cuts in the estimates for appropriations submitted by the departments and bureaus. Further cuts will be made before the final report of the Appropriations Committee of the House is submitted, but many of the cuts, it appears from investigation, will not stick, and something big and desperate, involving the suspension of activities of large and costly Government bureaus, must be done if higher taxes are to be avoided.

CUTS FOR POLITICAL REASONS NOT ENOUGH.

The Republican majority in Congress is disposed to cut the appropriations to the extent of in excess of a billion dollars for political effect in the next campaign, but this will give no relief to the taxpayer. Members of Congress are guided by party instructions and principles, and the Republican Party, nominally committed to economy, is not for the heroic economy demanded by the existing situation. This is shown by the latest utterances of Chairman Will Hays of the Republican National Committee by the "keynote" speech of Ellihu Root before the Republican unofficial State Convention in New York and by the platform of the Republican Party of the State of New York.

Stripped of all its complications, figures and diversified interests, the taxation problem presented to Congress is simple enough. Any taxpayer can understand it, and, understanding, taxpayers should let their representatives in Congress know by Understood it.

Before we went into the war the cost of government of the United States for ordinary purposes was, approximately, \$1,000,000,000 a year. Added to this were sinking fund and interest requirements requiring the expenditure of an additional \$1,000,000,000 a year—a total of \$2,000,000,000.

The United States is no bigger now than it was in 1916. Our form of government has not been changed, except that the war has fastened upon the Government as "the departments and bureaus," commissions and committees and councils, the usefulness of which has ended, letting right down to brass tacks, the cost of running the United States, a view of our precarious financial status, should not exceed next year as cost of running the Government in 1916.

COUNTRY CAN BE SAVED BY RETURNING TO 1916 CONDITIONS.

But, admitting that the new requirements of the Government even peace conditions would call for \$3,000,000,000 in excess of what was required in 1916, we find the expenditure at \$2,500,000,000 a year. But I have the department and bureau estimates under the influence of the war and the "orgs of extravagance," as Senator James W. Wadsworth Jr. has it, that has endured since the close of the war?

They have asked for close to \$5,000,000,000 for the ordinary expenses of government alone. To get us down to a peace basis \$2,500,000,000 should be sliced from these demands. The expenses of government for the fiscal year 1920-1921, beginning the first of next July, should be fixed at \$2,500,000,000.

The result would be that on June 30, 1921, the end of the next fiscal year, the present deficit of \$3,000,000,000 would be reduced to a deficit of \$1,000,000,000, and Congress would be in a position to provide for the elimination of that deficit and also for the reduction of taxes to the extent of \$1,000,000,000 during the fiscal year 1921-1922.

And what would the reduction in taxes to the extent of two billions of dollars amount to? It would be equivalent to lifting the load of taxation amount-

ing to \$18 a year off the back of every man, woman and child in the United States. It would save every family of five persons \$90 in Federal taxes the first year. It would also reduce the high cost of living, stimulate industry by turning hundreds of thousands of persons now engaged in non-constructive Government work into the channels of productive industry and place the Government in position to take steps to further reduce the Government debt and further reduce taxation.

Simple enough! That is the essence of the problem before Congress to-day. It requires the same kind of treatment that a financier or a business man would give his business—but there are few business men of transcendent ability in Congress. Most of our statesmen are lawyers. In the prevalent crisis does the harassed taxpayer, figuring on wearing his worn clothes and shoes another year in order to be able to pay his rent and his provision bills and provide for his family, hear any leader of either of the old parties pledging in clarion tones said parties to an immediate reduction of taxes? The taxpayer listens in vain for such clarion tones; he doesn't hear even a whisper.

Instead, he hears talk of "a more equitable distribution" of taxes. That is what Chairman Will Hays pledged the Republican Party to in New York Monday night, and what Ellihu Root pledged the party to in his speech at Carnegie Hall last week. Let us see what references to taxation are hidden away in Mr. Root's speech. Mr. Root said about taxation:

"It is a very difficult thing to make a good tax law, even with the most sincere purpose to distribute the burden fairly; but if the men who make the law have other purposes, and are inspired by a desire to punish somebody by the imposition of taxes, they are sure to get into their law provisions which work badly."

"The men who framed the revenue laws of the Sixty-fourth and Sixty-fifth Congresses did not conceal the fact that they looked with suspicion and dislike upon the great body of successful business concerns of the United States, and upon the men who were conducting and had conducted them, and that they meant to take away as much of these men's money as they possibly could."

"Now tax laws are curious, boomerang-like things, and it requires some intelligence and knowledge of affairs to know where they are going to strike. No statute can determine who is really going to pay a tax. The most dangerous post is that of the innocent bystander who goes home grumbling about the high cost of living."

"It is time for the Republican by-stander to ascertain how far these war revenue taxes are really paid through the cost of living by everybody who eats and wears clothes. Let him discover how far the excess profits taxes, for example, are being added to cost, like other business expenses, so that we all pay them, together with a profit on them, and then let him act."

"The review of taxation would involve the tariff, and then it would need to be remembered that the war had changed us from a debtor to a creditor Nation, and since Europe could pay us only by producing and selling goods, it is to our interest to facilitate her production and trade, just as a merchant is interested in the prosperity of customers to whom he sells on credit."

That is taken to mean here in Washington, where politicians analyze the statements of party leaders, that the Republican Party has abandoned the principle of high tariff because the great financial interests of the United States have billions and billions of dollars invested in Europe in the form of loans and they want their interest and their principal and they cannot hope to obtain even the interest unless Europe sells us goods in large quantities and trade is fostered by a low tariff.

It is taken to mean here in Washington that the Republican Party, if it gets into power, will repeal the excess profits taxes and pass new legislation involving income taxes which will put into the income tax paying class every American citizen who earns \$1,000 a year or more. It is taken to mean that the taxes will be so "distributed" as to relieve the great business concerns and threaten the horde of citizens who are already paying a direct tax to the Government. It is taken to mean that there is no serious intention on the part of the Republican Party to demobilize the deficit and reduce taxation.

Taxpayers, in the light of this situation, should bear these facts in mind:

The duty before Congress is to reduce taxes. The task can be accomplished by reducing the expense to the figure of \$2,500,000,000 a year. At intervals between pondering over this simple truth the taxpayer might occupy himself in studying the

## Mayor and Mrs. Hylan Enjoying The Balm Air of Palm Beach



MAYOR and MRS. HYLAN at PALM BEACH.

## CAN'T BE JUROR, FOR HE HAS GONE TO A FREE COUNTRY

Jury Notice for Peter Comerford Now of Ireland, Returned to Court Clerk by His Brother.

PETER COMERFORD, formerly a liquor dealer of No. 1250 Second Avenue, was summoned for the March jury panel in the Seventh District Municipal Term Court. This morning Court Attendant P. H. Bird received the following letter:

In reference to the jury notice for Peter Comerford: He has gone to Ireland since Feb. 17, 1919. I would like you to take his name off your notice, as he has gone for good. He has gone to a free country.

The letter was signed by a brother.

## TALK COMPROMISE IN MOVIE STRIKE

Chicago Owners and Union Men Appeal to State's Attorney.

CHICAGO, Feb. 25.—Efforts are being made to settle the controversy between owners of motion picture theatres and the Motion Picture Operators' Union, which threatened to cause the closing of all Chicago picture houses Feb. 29.

The Allied Amusement Association announced that motion picture houses would be closed on that date unless the business agent of the operators' union was demitted and union demands were modified. The association made charges of blackmail and extortion against various theatre employees' unions, and labor organizations countered with charges of conspiracy to boycott.

Both sides appealed to the State's Attorney's office.

## HOWARD M. SMITH DEAD.

Was General Passenger Agent of L. I. Road Twenty Years.

Howard M. Smith, seventy-one years old, general passenger agent of the Long Island Railroad Company for twenty years, died last night at his home, No. 558 Seventh Street, Brooklyn. Death was caused by pneumonia, which followed an attack of diphtheria.

Mr. Smith was in the employ of the Long Island Railroad for fifty-one years, beginning as a freight clerk. He was born at Great Neck, L. I. He is survived by a son, Oscar C. Smith.

following table of estimated expenses and receipts of the Government for the forthcoming year. It has not been printed before in a newspaper in this condensed form.

ESTIMATED REQUIREMENTS  
Estimated deficit in general fund  
June 30, 1921, report of the Secretary of the Treasury \$2,125,000,000  
Estimated expenditures for fiscal year ending June 30, 1921, as submitted in House of Representatives \$3,125,000,000  
Expenditures authorized by Congress \$3,125,000,000  
Expenditures not included in the House of Representatives \$3,125,000,000  
Estimated expenditures under Civil War and Revenue War Pacific Bonds to cover Federal Reserve and national bank notes \$2,500,000,000  
Estimated expenditures on account of railroad \$2,500,000,000  
Grand total \$5,125,000,000

ESTIMATED RECEIPTS  
Customs \$2,500,000,000  
General revenues \$2,500,000,000  
Interest and various sources \$2,500,000,000  
Miscellaneous interest \$2,500,000,000  
Public land sales \$2,500,000,000  
Miscellaneous sources \$2,500,000,000  
Estimated from \$450,000,000 of capital stock of Great Corporations \$450,000,000  
Panama Canal \$450,000,000  
War Revenue Bonds \$450,000,000  
Bonds to cover Federal Reserve and national bank notes \$450,000,000  
Public savings bonds \$450,000,000  
Postal revenues \$450,000,000  
Total estimated receipts \$5,125,000,000

Balance of estimated receipts \$2,500,000,000  
For the further information of taxpayers it may be said that no well informed member of Congress expects that the receipts will exceed \$5,000,000,000.

## JUDGE ASKS, WHO IS BENNY KAUFF?

"Never Heard of Him" Asserts Rosalsky Hearing Petition in Indictment.

Emil Fuchs, counsel for Benny Kauff, Giants' centre fielder, asked Judge Rosalsky in General Sessions Court this morning that he be allowed to inspect the minutes of the Grand Jury which indicted his client on a charge of grand larceny, with a view to having the indictment dismissed on the grounds of insufficient evidence. Judge Rosalsky refused the request.

Fuchs declared James P. Brennan, from whom it is charged Kauff stole an automobile, would not swear the car belonged to him at the preliminary hearing. Assistant District Attorney Rittenberger said Brennan did not swear before the Grand Jury.

Fuchs said Kauff's ability to make a living depended upon the good will of baseball fans, and that he was the greatest outfielder in the world. "Who is this young man?" asked Judge Rosalsky. "I have never heard of him, and I am somewhat of a baseball fan."

## AUTOS AND ANCHORS IN POLICE AUCTION

Buyers Ask Chance to Bid for \$1,000 Worth of "Wet Goods," but Are Refused.

The 24th public auction sale of unclaimed property at police headquarters was held to-day. The bidders included four automobiles and almost every conceivable article from diamonds to ship anchors. Gowns, overalls, crutches and baby carriages were included in the sale to a large group of eager buyers. It was expected that \$2,000 would be realized to the police pension fund.

Many bidders looked with longing eyes upon more than \$1,000 worth of "wet goods." Liquors and sought to have Mr. Murray place these on sale. Mr. Murray explained that he was waiting an opinion from the Corporation Counsel.

## WOMAN MURDERED; SUSPECT ENDS LIFE

Thirty-one Girl Students Endangered When School Is Fired to Hide Evidence of Crime.

LOS ANGELES, Cal., Feb. 25.—Miss Florence Howell, fifty, head of the Huntington Hall School for girls in South Pasadena, Cal., was murdered in her bed to-day by a assassin who attempted to hide his crime by firing the building. H. W. Brown, fifty-eight, suspected of the crime, committed suicide.

The lives of thirty-one girl students were threatened by the fire. Miss Howell's eighty-year-old father discovered the crime and aided in quelling the flames.

Miss Howell was a graduate of Wellesley College.

## 'TRUSTS' AT ALBANY BEAT THEIR BILLS, SOCIALISTS CHARGE

Waldman Names Ice and Milk "Combines"—Only One of 74 Measures Passed.

ALBANY, Feb. 25.—The Socialist delegation in the New York Assembly, which has intimated its ousting was prompted by the "trusts," described to-day at the trial before the Assembly Judiciary Committee, the fate of Socialist measures in 1918 which it claimed clashed with the interests of these trusts and Albany's "invisible Empire."

The Socialist delegation, according to the testimony of Assemblyman Louis Waldman, a defendant, had been able to get only one of its seventy-four measures passed by both Assembly and Senate and signed by the Governor. Most of the others, he said, had been "killed" in committee. A Socialist prohibition measure, which Waldman said his delegation had been unable to get before the House, later was adopted when taken verbatim and introduced by the Republicans, the witness testified.

## UNDERTAKER TRIED FOR HASTY BURIAL OF MRS. CALLIERS

Daughter of Taxi Victim Tells of False Entries on Death Certificates.

The trial of George H. Kelly, an undertaker of No. 387 Columbus Avenue, on the charge of making false statements on an application for a death certificate and filing a false death certificate, was held this morning in the Sixth District Municipal Court at No. 155 East 88th Street, before Justice Jacob Marks.

The case grew out of the hasty and secret burial of Mrs. Anne Calliers, who was killed by a Town & Terminal taxicab Oct. 10, and was buried before her daughter, Miss Charlotte Calliers, a grand opera singer, was notified of her death. An investigation of the case was conducted by The Evening World, as a result of which Kelly and two of his assistants were arrested and a new set of regulations drawn up to prevent "body snatching" from the morgue and from hospitals.

The undertaker's assistants, Jack Keaney and Frank Connell, are out on bail awaiting trial in the Court of Special Sessions. At the trial to-day Miss Charlotte Calliers testified to the falsity of the entries made on the death certificate. Shirley Wynne, assistant register of records of the Department of Health, identified the death certificate and the removal application signed by Kelly.

Kelly testified that he was out of town at the time and that all arrangements for the Calliers burial were made by his assistants. He was confronted with testimony he had given before Dr. Guilfoyle, who investigated the case, and who was told by Kelly that although he was out of town he had kept in touch with his place of business.

At the conclusion of the testimony, Justice Marks asked both sides to file briefs. The case was prosecuted by Assistant Corporation Counsel Morris Borowsky.

## ANSWERS CHARGES IN \$75,000 SUITS

Mrs. Brown Accuses Mme. Villemain of Unpatriotic Remarks During 69th's Parade.

Mrs. Margaret Brown, wife of James J. Brown, of No. 220 Madison Avenue, to-day filed answer to suits for alleged slander brought by Mme. Celine Villemain and Maria F. Wathey, both of No. 32 West 57th Street.

Mrs. Brown was one of the first to turn her newspaper, R. L. House, over to the Government for emergency war work. She is a Titanic survivor.

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The Socialist delegation, according to Waldman, had introduced a bill providing for creation of a commission on State printing, amounting to many thousands of dollars, to do away with the "force" of awarding contracts to the lowest bidder. Actually, Waldman said, the contracts go to the J. R. Lyon Company, "dominated by Will Barnes." The measure met with failure.

A Socialist bill, aimed at the "Milk Trust," which would have regulated the price of milk, "to prevent milk companies paying high dividends at the cost of children's lives," was never reported out, Waldman testified.

The Socialist delegation, the witness said, voted for the Kenyon bill which, introduced as a war measure, prohibited the manufacture of artificial ice near Greater New York and directed natural ice companies to harvest 2,000,000 tons in excess of their regular amount to avert any shortage. Any of this excess ice, according to Waldman, which was not sold by a certain date, would be paid for by the State at cost, plus 10 per cent.

The Socialists, according to the witness, voted for the measure, when told it was a war measure to conserve ammonia for manufacture of munitions. Later, Waldman said, Representative Meyer London in Washington, after getting in touch with Herbert Hoover, informed them that no other State had found it necessary to restrict manufacture of artificial ice.

Then, according to Waldman, the Socialists sought to repeal the section of the bill prohibiting the manufacture of artificial ice, feeling that the "ice trust" was seeking to create a shortage and raise prices. Mr. Waldman charged that former Gov. Benjamin F. Odell, the ice controller, was largely interested in the ice business. The next summer, Waldman testified, the price of ice doubled.

Waldman declared a bill he had introduced to create a hydro-electric commission, with a view to developing water power resources, acquiring private companies and including them in a comprehensive system of electricity production, was "fought actively by lobbyists and indirectly through other agencies, by the power trust of the State of New York, the Niagara Falls Power Company, the gas companies, under the directorship of our friend Brady."

Through this bill, Waldman claimed 15,000,000 tons of coal would be conserved and 2,000,000 horsepower of electricity produced—"sufficient to operate every wheel of industry in the State of New York, to light every home, and to supply power to every farmer and our electric railway systems."

Despite demands for hearings from delegations of citizens all over the State, Waldman said he had been unable to get a hearing. The bill was subsequently killed.

Waldman testified the Socialists had no representation on "the most important committees—Ways and Means and Rules."

Mr. Waldman said besides framing legislation, Socialists had attended every session of the Assembly and meetings of committees of which they were members. Approximately 300 bills were passed by the Assembly in 1918, the witness said, and of this number the Socialists voted for "about 100," because they were "neither bad nor good." Only two "good" measures were passed, he said, without naming them.

organizers of the University Franchise in America, seeks \$50,000 as the result of an alleged remark made by Mrs. Brown while she was a tenant of the plaintiff from Oct. 1, 1918, to Oct. 30, 1919. Mrs. Brown asks \$25,000 for alleged similar remarks affecting her own reputation.

In her answer, Mrs. Brown charges that the remarks were made by Mrs. Villemain during the latter's daily regiment parade and of Mrs. Wathey she alleges her conduct in and domestic life in a silk quilted bathrobe over a chiffon nightgown, wearing sandals.

Girl Held on Highway Charge.  
Mrs. Margaret Huckle, nineteen, of No. 257 Baltic Street, Brooklyn, pleaded not guilty to a charge of highway in Flatbush Court to-day and was held in \$1,000 bail for examination March 2.

Charles Huckle, No. 256 Dean Street, states he married her at the Hansen Place M. E. Church on April 2 last, and that she had been married, without a divorce, to Walter Dunham and to Edward Prill.

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